

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1234 - HB 1153

March 20, 2013

SUMMARY OF BILL: Requires the Governor to include an allocation of state tax revenue to the Reserve for Revenue Fluctuations (the Rainy Day Fund), equal to ten percent of the estimated growth in state tax revenue to be allocated to the General Fund and to the Education Trust Fund, in the proposed budget to continue until the balance of the Rainy Day Fund has reached eight percent, rather than five percent, of the estimated state tax revenue to be allocated to the General Fund and the Education Trust Fund for that year.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – An unknown shift of funds that would be available for the general purposes of state government in one year, to the Rainy Day Fund, where funds are held for the general purposes of state government for future years. Any shift of funds is dependent upon the balance of the Rainy Day Fund each year.

Assumptions:

- The fiscal impact of this bill is dependent upon the balance of the Rainy Day Fund each year.
- In years the balance of the Rainy Day Fund exceeds eight percent of the estimated state tax revenue to be allocated to the General Fund and the Education Trust Fund for that year, the fiscal impact of this bill is not significant.
- In years the balance of the Rainy Day Fund is less than eight percent of the estimated state tax revenue to be allocated to the General Fund and the Education Trust Fund for that year, the fiscal impact of this bill is a shift of revenue available for the general purposes of state government in one year to the Rainy Day Fund, where funds are held for the general purposes of state government for future years.
- The Governor's FY13-14 proposed budget includes \$100,000,000 for the Rainy Day Fund.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "L. D. G.", is written over a faint, circular watermark that matches the seal of the Tennessee General Assembly.

Lucian D. Geise, Executive Director

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